



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130-4260

Received &amp; Inspected

SEP 30 2008

FCC Mail Room

September 25, 2008

JIM SULLIVAN, PRESIDENT

JAN COOK, ASSOCIATE COMMISSIONER

SUSAN D. PARKER, PHD, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.

SECRETARY

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, Maryland 20743

Re: CC Docket No. 96-45 - U.S.F. Certification of Alabama's ETC's including all  
Rural and Non-Rural Carriers

Dear Ms. Dortch:

Pursuant to the requirements of 47 C.F.R. §54.313, the Alabama Public Service Commission (the "APSC") hereby certifies to the Federal Communications Commission (the "Commission") that all federal high-cost universal service funds flowing to Alabama Non-Rural local exchange carriers BellSouth Telecommunications, Inc., d/b/a AT&T Alabama ("AT&T") and CenturyTel of Alabama, L.L.C. ("CenturyTel") for the year commencing January 1, 2009, and ending December 31, 2009, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), AT&T and CenturyTel will only utilize the federal high-cost support for which they are eligible in the year 2009 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

The APSC also certifies that pursuant to the requirements of 47 C.F.R. §54.314, all of the federal universal service funding flowing to Alabama's Rural Carriers<sup>1</sup> for the year commencing January 1, 2009, and ending December 31, 2009, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), Alabama's Rural Carriers will only utilize the federal support for which they are eligible in the year 2009 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

The APSC also certifies that Alabama's non-incumbent LEC wireline Eligible Telecommunications Carriers, Hayneville Fiber Transport, Inc., d/b/a Camellia Communications ("Camellia"); Budget Phone, Inc. ("Budget"); and TSI Nexus, Inc. (collectively "Alabama's non-incumbent LEC ETCs") will utilize all federal high cost universal service funding they receive in the year 2009 in a manner consistent with the provisions of § 254(e). More particularly, Alabama's non-incumbent LEC ETCs will only utilize the federal support they receive in 2009 for the maintenance and upgrading of facilities and services for which such support is intended.

<sup>1</sup> Alabama's Rural Carriers herein certified are: Ardmore Telephone Company, Inc. (290280); Blountsville Telephone Company, Inc. (250282); Brindlee Mountain Telephone Company (250283); Butler Telephone Company, Inc. (250284); Castleberry Telephone Company, Inc. (250285); Farmers Telephone Cooperative, Inc. (250290); Frontier Communications of Alabama, LLC (250306); Frontier Communications of Lamar County, LLC (250301); Frontier Communications of the South, LLC (250318); Graceba Telephone Company, Inc. (250295); GTC, Inc., d/b/a Fairpoint Communications (210291); Gulf Telephone Company, Inc. (250298); Hayneville Telephone Company, Inc. (250299); Hopper Telecommunications, Inc. (250300); Interstate Telephone Company, Inc. (220371); Millry Telephone Company, Inc. (250304); Mon-Cre Telephone Cooperative, Inc. (250305); Moundville Telephone Company, Inc. (250307); National Telephone Company, Inc. (250286); New Hope Telephone Cooperative, Inc. (250308); Oakman Telephone Company (250311); Otelco Telephone, LLC (250312); Peoples Telephone Company (250314); Pine Belt Telephone Company, Inc. (250315); Ragland Telephone Company, Inc. (250316); Roanoke Telephone Company, Inc. (250317); Union Springs Telephone Company, Inc. (250322); Valley Telephone Company, Inc. (220324) and Windstream Alabama, LLC (250302).

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
September 25, 2008  
Page Two

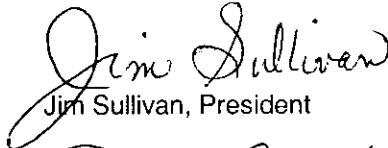
The APSC additionally certifies pursuant to 47 C.F.R. §54.316 that the rural residential rates of Alabama's non-rural Incumbent Local Exchange Carriers AT&T and CenturyTel are reasonably comparable to urban rates nationwide. The APSC's conclusion in this regard is premised on the fact that BellSouth and CenturyTel's rural residential rates in Alabama are well below the established nationwide urban rate benchmark of \$36.52.

The representations and certifications herein provided are largely the product of informal proceedings conducted before the APSC in Docket 25980. A copy of the APSC's Order approving and certifying the proposals of AT&T, CenturyTel, Alabama's Rural Carriers, and Alabama's non-incumbent LEC ETCs regarding their intended utilization of the federal high-cost universal service support for which they are eligible in the year 2009 is enclosed herein.

The APSC thanks the Commission for its diligence and cooperation in this matter. Please be advised that a copy of this notice is simultaneously being forwarded to the Universal Service Administrative Company. Please date stamp the extra copy of this filing and return it to the APSC in the enclosed, stamped, self-addressed envelope.

Sincerely,

ALABAMA PUBLIC SERVICE COMMISSION

  
Jim Sullivan, President

  
Jan Cook, Commissioner

  
Susan D. Parker, Commissioner

JS/JC/SDP:eml

Enclosures

By FedEx Priority Overnight

c: Ms. Karen Majcher, Vice President  
High Cost and Low Income Division  
Universal Service Administrative Company  
2000 L Street N.W., Suite 200  
Washington, D.C. 20036



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SECRETARY

**IN RE: IMPLEMENTATION OF THE  
UNIVERSAL SERVICE REQUIREMENTS  
OF SECTION 254 OF THE  
TELECOMMUNICATIONS ACT OF 1996.**

**DOCKET 25980**

**(CERTIFICATION OF CARRIERS  
RECEIVING FEDERAL UNIVERSAL  
SERVICE SUPPORT FOR 2009)**

**FURTHER REPORT AND ORDER**

**BY THE COMMISSION:**

**I. Introduction and Background**

By Order entered in this cause on September 27, 2007, all Eligible Telecommunications Carriers ("ETCs") in Alabama as designated by this Commission were ordered to file their proposals for the utilization of all federal high-cost universal support for which they will be eligible in the year 2009. The established deadline for the submission of said proposals was May 2, 2008. The September 27, 2007, Order afforded interested parties the latitude to submit comments in response to those filings no later than May 23, 2008, with any reply comments due on or before June 13, 2008.

By filing of May 2, 2008, BellSouth Telecommunications, Inc., d/b/a AT&T Alabama ("AT&T") submitted its proposal for the utilization of the federal high-cost universal service support for which it will be eligible in the year 2009. CenturyTel of Alabama, LLC ("CenturyTel") submitted its proposal for the expenditure of the 2009 federal high-cost universal service support it anticipates receiving on or about May 20, 2008. On various dates in April and May 2008, the Rural Carriers (the "Rural LECs") identified individually in Appendix "A" hereto

submitted certifications regarding their proposed expenditure of the federal high-cost universal service support they anticipate receiving in 2009 as did the remaining ETCs in Alabama.

## **II. The 2009 Plan of AT&T**

AT&T premised its May 2, 2008, proposal for the expenditure of 2009 universal service monies on the assumption that it would receive federal high-cost universal service support approximating \$23.8 million for the year 2009. AT&T indicated that its proposal for 2009 reflected an expenditure of \$21.0 million for network improvements with the remaining \$2.8 million being applied to fund the annual value of the access charge reduction ordered in the Commission's March 24, 2000, Order in this cause. The Commission did not receive any comments in opposition to AT&T's filing.

AT&T's proposal for the year 2009 is attached hereto as Appendix "B". A summary of the major elements of AT&T's filing are set forth below:

- Loop Infrastructure Improvements: 2009 - \$21.0 million
  - Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design: 2009 - \$20.75 Million
  - Provide Service to High Cost Areas: 2009 - \$.250 million

The Commission staff reviewed the 2009 expenditure plan submitted by AT&T and found that the federal high-cost universal service expenditures proposed therein by AT&T should be certified as compliant with §254(e) of the Telecommunications Act of 1996.<sup>1</sup> Staff did, however, recommend a modification to AT&T's proposal to expend \$20.75 on the deployment of Loop Fiber and Next Generation Digital Loop Carrier ("NGDLC"). In particular, staff recommended that AT&T be required to redirect up to \$1 million of that \$20.75 million to provide service upgrades in the Citronelle and Mt. Vernon wire centers which have recently experienced

trouble report rates consistently in excess of the established threshold of 4 percent of the access lines in such wire centers including repeat troubles. Should the Staff subsequently determine that AT&T is adequately addressing the service quality issues for the identified wire centers, with or without USF resources, AT&T may be allowed to redirect all or a portion of the \$1 million so reserved for the deployment of loop fiber and NGDLC in accordance with the plan AT&T submitted to the Commission.

Staff recommended that the \$250,000 set aside by AT&T to serve high cost applicants be made available for the provision of basic local exchange telecommunications service, at primary dwellings only, to those end users who have made application for but not provided service due to economic inefficiency and/or prohibitive aid to construction requirements ("unserved customers").<sup>2</sup> Additionally, staff recommended that AT&T utilize a portion of the \$250,000 set aside for high cost applicants to advertise the availability of such funds, at a minimum, once per annum in a newspaper of general circulation to the customers for each high cost wire center in AT&T's service territory.

The staff recommended that the initial priority for funding unserved basic service applications associated with the \$250,000 AT&T set aside be established at \$25,000 or less per applicant and that any funds remaining from the set aside thereafter be prioritized for the provision of basic service as follows:

- (a) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (b) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.

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<sup>1</sup>Pub. L. No. 104-104, 110 Stat. 56 codified at 47 U.S.C. §151 *et seq.* (hereinafter the "Act"). Cites to sections of the Act are accordingly cites to 47 U.S.C.

<sup>2</sup>We note that the applicants in question need not be served by wire centers designated as "high cost" in order to be eligible for the support in question.

- (c) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$250,000 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (d) For those projects whose costs exceed \$40,000, the additional capital required to complete the project shall be the responsibility of the basic service applicant who shall be afforded the opportunity to make a contribution in aid to construction for those costs that exceed \$40,000. The contribution in aid to construction must be received by AT&T from the applicant prior to the initiation of construction.
- (e) In the event that all eligible applications are in progress by October 1, 2009, any of the \$250,000 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall be expended by AT&T on the deployment of loop fiber and next generation digital loop carrier to implement CSA Design. AT&T should accordingly endeavor to complete all pending, eligible applications on or before October 1, 2009.

The staff recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges or tariffed recurring charges for the continued provision of such service to the high cost applicants discussed immediately above.

The staff further recommended that AT&T be required to provide a list of its held service applications along with the reports AT&T is already required to file within thirty (30) days of the close of each calendar quarter. Said reports shall detail the status of each held service application. The staff also recommended that AT&T be required to meet with the staff within thirty (30) days of the close of the first quarter of 2009 for purposes of discussing the company's 2009 capital budgets with respect to USF wire centers. The staff feels that such meetings will provide a more detailed overview of AT&T's USF initiatives for 2009 and their status.

Subject to the aforementioned conditions, staff recommended approval of AT&T's 2009 high cost proposal.

### **III. The CenturyTel Proposal for 2009**

In its filing of May 20, 2008, CenturyTel indicated that it anticipated the receipt of \$4,668,886 in federal universal service high-cost funds in 2009 above and beyond the \$7,749,629 embedded in CenturyTel's existing rate structure in Alabama.<sup>3</sup> No party filed comments in opposition to CenturyTel's proposal for 2009 which is attached hereto as Appendix "D". A summary of the major elements of CenturyTel's filing are set forth below:

- Replace Air Core Cable: 2009 - \$250,000
- Network Improvements: 2009 - \$4,168,886  
(Enhance network reliability by placing diverse fiber routes, adding permanent generators, replacing CO power equipment, replacing selected obsolete remote equipment and deployment of Digital Loop Carrier, Ethernet and Fiber to the Premise)
- High-Cost Applicants: 2009 - \$250,000

Staff recommended that the \$250,000 set aside by CenturyTel to serve high cost applicants be made available for the provision of basic local exchange telecommunications service, at primary dwellings only, to those end users who have made application for but not provided service due to economic inefficiency and/or prohibitive aid to construction requirements ("unserved customers").<sup>4</sup> Additionally, staff recommended that CenturyTel utilize a portion of the \$250,000 set aside for high cost applicants to advertise the availability of such funds, at a minimum, once per annum in a newspaper of general circulation to the customers for each high cost wire center in CenturyTel's service territory.

The staff recommended that the initial priority for funding unserved basic service applications associated with the \$250,000 CenturyTel set aside be established at \$25,000 or

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<sup>3</sup>CenturyTel included with its 2009 proposal a revised proposal for the expenditure of remaining 2008 high cost funds. That proposal is attached hereto as Appendix "C."

<sup>4</sup>We note that the applicants in question need not be served by wire centers designated as "high cost" in order to be eligible for the support in question.

less per applicant and that any funds remaining from the set aside thereafter be prioritized for the provision of basic service as follows:

- (f) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (g) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.
- (h) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$250,000 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (i) For those projects whose costs exceed \$40,000, the additional capital required to complete the project shall be the responsibility of the basic service applicant who shall be afforded the opportunity to make a contribution in aid to construction for those costs that exceed \$40,000. The contribution in aid to construction must be received by CenturyTel from the applicant prior to the initiation of construction.
- (j) In the event that all eligible applications are in progress by October 1, 2009, any of the \$250,000 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall be expended by CenturyTel on the deployment of loop fiber and next generation digital loop carrier to implement CSA Design. CenturyTel should accordingly endeavor to complete all pending, eligible applications on or before October 1, 2008.

The staff recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges for the initiation of service or tariffed recurring charges for the continued provision of service to the high cost applicants discussed immediately above.

The staff further recommended that CenturyTel be required to submit within thirty (30) days of the effective date of this Order a current list of all CenturyTel customers who have made application for basic local service but have been unable to receive it due to economic inefficiency and/or prohibitive aid to construction amounts. The staff further recommended that CenturyTel be required to submit, within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved herein and the level of funding expended



on such projects. The staff suggested that CenturyTel include with those quarterly reports a list of CenturyTel's held service applications. The staff recommended that the status of each such application be reflected in the report submitted by CenturyTel.

The staff recommended further that CenturyTel be required to meet with staff within thirty (30) days of the close of the first quarter of 2009 for purposes of discussing CenturyTel's 2009 capital budget with respect to USF wire centers. The staff feels that such meetings will provide a more detailed overview of CenturyTel's USF initiatives for 2009 and their status.

Subject to the aforementioned conditions, staff recommended approval of CenturyTel's 2009 high cost proposal.

#### **IV. The Filings of the Rural Carriers**

With regard to the Rural Carriers listed in Appendix "A" hereto, the Commission previously determined in the Order entered in this cause on December 20, 2001, that the Commission could best meet its universal service monitoring and certification obligations for each Rural LEC "cost company" by requiring such companies to file with the Commission by January 15 of each year a copy of their supporting annual interstate cost separation studies, their annual USF-High-Cost loop support filings and, their estimated USF-local switching support filings that are made with the National Exchange Carriers Association ("NECA"). With respect to the Rural LECs that are "average schedule" companies, the Commission required such companies to file for review by January 15 of each year a copy of NECA's proposed annual USF-High-Cost loop support and USF-local switching support amounts.

The certifications submitted by the Rural LECs listed in Appendix "A" hereto throughout April and May of 2008 and attached hereto as Appendix "E" reflect that each of those Rural LECs will in 2009 continue to utilize the high-cost universal service funding they receive in a manner compliant with the requirements of §254 of the Telecommunications Act of 1996. The

Commission will continue to verify the certifications of the aforementioned Rural LECs through the filings they make with the Commission each year. Staff accordingly recommended approval of the 2009 high cost expenditures of the Rural LECs.

**V. The High Cost Expenditures of the Remaining ETCs**

The remaining Alabama ETCs which include Hayneville Fiber Transport, Inc., d/b/a Camellia Communications, Inc. ("Camellia"); Budget Phone, Inc. ("Budget"); and TSI Nexus, Inc. ("TSI Nexus") (collectively the "non-incumbent local exchange carriers ETCs") all represented upon being certified as ETCs in Alabama that they would expend all federal high cost funding received in a manner consistent with the requirements of §254(e) of the Act. The Commission's investigation of the aforementioned ETCs indicates that those entities have and will continue to expend any and all federal high cost funding received in a manner consistent with §254(e). Staff accordingly recommended approval of the 2009 high cost expenditure plans of the non-Incumbent Local Exchange Carrier ETCs.

**VI. Discussion and Conclusions**

We hereby adopt each of the recommendations of staff set forth herein and approve consistent therewith, the proposals submitted in this cause by AT&T, CenturyTel, Alabama's Rural Carriers and the non-Incumbent Local Exchange Carrier ETCs governing their expenditure of federal high-cost universal service support during the year 2009. We will certify to the FCC that those plans are compliant with the provisions of §254(e) of the Act.

We specifically note, however, that our approval herein is contingent upon the staff's continued monitoring of the implementation of the aforementioned plans. The Commission specifically reserves the right to conduct any proceedings that may be necessary to determine if the funding under review should be redirected to other qualifying projects as required by the Commission.

We further note that the \$.0025 terminating switched access charge reduction approved in our Order of March 24, 2000, in this cause is hereby carried forward for 2009. AT&T is accordingly authorized to expend \$2.8 million of the federal high-cost universal support it is scheduled to receive in 2009 to support that continued reduction. We further find that in the event that intrastate switched access charges in Alabama are reduced in the context of the Commission's local competition proceedings in Joint Dockets 24499, 24472, 24030 and 23865 or Docket 28590 prior to the end of 2009, AT&T will be allowed to reallocate to its infrastructure construction budgets approved herein all funds required to implement the \$.0025 terminating switched access charge reduction which is carried forward by this Order. We find such a result to be consistent with the public interest, convenience and necessity.

Pursuant to 47 C.F.R. § 54.316, we further certify herein that the residential rates in rural areas of Alabama served by Alabama's non-rural incumbent LECs AT&T and CenturyTel are reasonably comparable to urban rates nationwide. The Commission's certification in this regard is based on the fact that the residential rates of AT&T and CenturyTel in all rural areas of Alabama served by AT&T and CenturyTel were well below the current nationwide urban rate benchmark of \$36.52.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the May 2, 2008, proposal of BellSouth Telecommunications, Inc., d/b/a AT&T Alabama attached hereto as Appendix "B" and delineating the company's intended utilization of the federal high-cost universal service support for which it is eligible during the year 2009 is hereby approved as stipulated herein and certified as compliant with the provisions of § 254(e) of the Telecommunications Act of 1996. The approval granted herein is, however, contingent on BellSouth Telecommunications, Inc., d/b/a AT&T Alabama's compliance with all provisions of this order including the timely submission of the information requested herein.

IT IS FURTHER ORDERED BY THE COMMISSION, That CenturyTel of Alabama LLC's May 20, 2008, revision to the Company's 2008 USF high-cost expenditure plan attached hereto as Appendix "C" is hereby approved.

IT IS FURTHER ORDERED BY THE COMMISSION, That the May 20, 2008, proposal of CenturyTel of Alabama, LLC attached hereto as Appendix "D" and delineating the company's intended utilization of the forward-looking federal high-cost universal service support for which it is eligible during 2009 is hereby approved as stipulated herein and certified as compliant with the provisions of § 254(e) of the Telecommunications Act of 1996. The approval granted herein is, however, contingent on CenturyTel of Alabama, LLC's compliance with all provisions of this order including the timely submission of the information requested herein.

IT IS FURTHER ORDERED BY THE COMMISSION, That pursuant to 47 C.F.R. § 54.316, the rural residential rates of Alabama's non-rural incumbent local exchange carriers BellSouth Telecommunications, Inc., d/b/a ATT Alabama and CenturyTel of Alabama, LLC in all rural areas of Alabama served by such carriers are reasonably comparable to urban rates nationwide.

IT IS FURTHER ORDERED BY THE COMMISSION, That the proposals/statements of Alabama's Rural Carriers collectively attached hereto as Appendix "E" are hereby approved and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the anticipated expenditures of all federal high cost support received by Hayneville Fiber Transport, Inc., d/b/a Camellia Communications, Budget Phone, Inc., and TSI Nexus, Inc. are hereby certified as compliant with the provisions of § 254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the approval and certifications addressed herein shall be further contingent upon satisfactory results from the Commission's

ongoing review of the project specific expenditures of AT&T, CenturyTel, Alabama's Rural Carriers, and the remaining non-Incumbent Local Exchange Carrier ETCs as designated by the Commission. The Commission specifically reserves the right to conduct whatever proceedings may be deemed necessary to determine that the universal service funding received by AT&T, CenturyTel, Alabama's Rural Carriers, and all remaining non-Incumbent Local Exchange Carrier ETCs in Alabama should be redirected by the Commission to other qualifying projects. To that end, AT&T and CenturyTel shall submit to the Commission within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved herein and the level of funding expended on said projects. Said reports shall include a listing of each of the local service applications held by each company and their status. The Rural LECs shall continue to comply with the reporting requirements established in the Commission's December 20, 2001, Order entered in this cause unless and/or until otherwise directed by the Commission.

IT IS FURTHER ORDERED BY THE COMMISSION, That AT&T, CenturyTel, Alabama's Rural Carriers, and all other ETCs in Alabama as designated by the Commission shall file their proposals for the utilization of the federal high-cost universal service support for which they are eligible in the year 2010 no later than May 1, 2009. Interested parties may submit comments in response to the foregoing filings no later than May 22, 2009. Reply comments will be considered by the Commission if received on or before June 12, 2009.

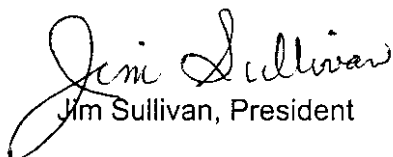
IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

DOCKET 25980 - #12

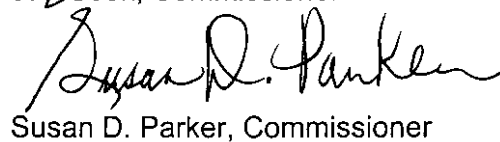
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 29<sup>th</sup> day of September, 2008.

ALABAMA PUBLIC SERVICE COMMISSION

  
Jim Sullivan, President

  
Jan Cook, Commissioner

  
Susan D. Parker, Commissioner

ATTEST: A True Copy

  
Walter L. Thomas, Jr., Secretary

APPENDIX "A"

Ardmore Telephone Company, Inc. (290280)  
Blountsville Telephone Company, Inc. (250282)  
Brindlee Mountain Telephone Company (250283)  
Butler Telephone Company, Inc. (250284)  
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Frontier Communications of the South, LLC (250318)  
Graceba Telephone Company, Inc. (250295)  
GTC, Inc., d/b/a Fairpoint Communications (210291)  
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Roanoke Telephone Company, Inc. (250317)  
Union Springs Telephone Company, Inc. (250322)  
Valley Telephone Company, Inc. (220324)  
Windstream Alabama, LLC (250302)

**Plan Year 2009**  
**Loop Infrastructure Improvements**  
**\$21.0M**

**1. Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design - \$20.75M**

The implementation of Carrier Serving Areas (CSAs) will provide improved service to the customer and will provide a means of delivering additional services and capabilities not available over a totally copper network.

The goal of the CSA concept is to sectionalize areas of a wire center beyond twelve thousand feet from the serving central office into discrete geographical units so those customers within the CSA can be provided digital services over an unrepeaters facility by utilizing digital loop carrier.

Service improvements are obtained through the deployment of digital loop carrier in the CSA. Customers working over digital loop carrier facilities do not experience the transmission problems caused by metallic influences that are inherent of long copper facilities. Data transmission speeds are improved for services offered over digital loop carrier as opposed to long copper facilities.

AT&T proposes deploying fiber in feeder routes to serve existing and new remote terminal sites and the placement of new Digital Loop Carrier in the universal service wire centers to implement the CSA architecture. Additionally, this proposal includes providing loop diverse feeder fiber where feasible to reduce or eliminate service outages.

**2. Provide Service to High Cost Areas - \$.250M**

In order to support universal service for existing unusually high cost service areas, AT&T will establish a fund of \$250,000 in 2009 to offset the extension of facilities to these high cost areas to provide service for an applicant's primary residence in a high cost situation. AT&T will prioritize locations and expend monies from this fund using procedures established by the Alabama Public Service Commission in its September 27, 2006, Further Report and Order (Docket No. 25980).

An initial maximum of \$25,000 per high cost applicant will be prioritized from the fund in exchanges where end users have made application for service but have been unable to obtain service due to economic inefficiency. The fund will be decreased with each application that qualifies for high cost consideration and any dollars that have not been utilized for high cost service by October 1, 2009, will be expended on the other network infrastructure enhancement projects in universal service wire centers.



**3. Replace Aged Power Plants and Obsolete Batteries - \$0.3M**

All remote terminal equipment locations are served by power plants and back up batteries that provide electrical power to keep the equipment working. Some sites have power plants and batteries that have aged and these are manufacturer discontinued making it difficult and/or impossible to get parts. Replacing these plants/batteries at this time will allow for a much more dependable communications infrastructure in rural communities and improve service reliability today.

**Plan Year 2009 Total Universal Service Support - \$21.3M**

**Conclusion**

The network infrastructure enhancement initiative will provide service improvements to the smaller rural wire centers in the state by reducing loop lengths and transmission impairments while improving service reliability.

While every effort will be made to spend the universal service funds as stipulated within the categories as identified in our preliminary planning effort, some needed modifications to our plan may be necessary as detailed planning and engineering proceeds. All significant deviations, if any, will be identified and reported as our quarterly tracking reports are made.

**REVISED 2008 - USF - CENTURYTEL OF ALABAMA**

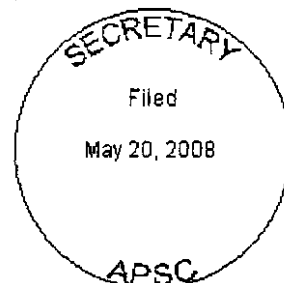
Submitted May 14, 2008

	Revised	Original
<b>REPLACE AIR CORE CABLE</b>		
Replacement of air core and paper insulated cable. Location to be determined based on OSP Troubles.	\$250,000	\$250,000
<b>HIGH COST APPLICANTS</b>		
Provides assistance to customers that require excessive construction to provide primary service.	\$250,000	\$250,000
<b>ENHANCING NETWORK RELIABILITY</b>		
Enhancing network reliability by placing diverse fiber routes, fiber to existing remotes, adding permanent generators, replacing CO power equipment, and replacing selected obsolete remote equipment.	\$1,600,000	\$2,000,000
<b>NEXT GENERATION DIGITAL LOOP CARRIER DEPLOYMENT</b>		
Placement of next generation technology (Digital Loop Carrier, Ethernet, Fiber to the Prem) which improves service and promotes availability of advanced services not available over existing copper facilities. Fiber may also be used feed these new Digital Remote Carrier units.	\$2,568,886	\$3,075,000
<b>TOTAL USF - ALABAMA</b>	<b>\$4,668,886</b>	<b>5,575,000</b>

100 North Union Street  
Suite 132  
Montgomery, AL 36104  
Tel 334 263 2295

DOCKET 25980  
Appendix "D"  
Page 1 of 2

**CENTURYTEL**



May 20, 2008

Mr. Walter Thomas, Jr., Secretary  
Alabama Public Service Commission  
Post Office Box 304260  
Montgomery, Alabama 36130-4260

Docket 25980—Implementation of the Universal Service Requirements of Section 254 of the Telecommunications Act of 1996 (Certificate of Carriers Receiving Federal Universal Service Support)

Dear Mr. Thomas:

Enclosed is CenturyTel of Alabama, LLC's (CTL) filing of its revised 2008 Universal Service Plan (USP) as well as our proposed 2009 USP. This filing is based on the Federal Communication Commission's (FCC) calculation that identifies the amount of Universal Service Fund (USF) support we will receive in 2008. The 2008 USF support number used for both these plans is \$12,418,515. Of this amount \$7,749,629 is already embedded in CenturyTel's rate structure in Alabama, leaving \$4,668,886 to be spent per the attached revised USP for 2008 and is also our projected amount for the 2009 USP.

If you should have any questions regarding this filing, I can be reached at (334) 263-6285.

Sincerely,

*Christi Corvino*

*fok* William C. Hanchey, Jr.  
Director—Government Relations

**PROPOSED 2009 - USF - CENTURYTEL OF ALABAMA**

Submitted May 13th 2008

**REPLACE AIR CORE CABLE**

Replacement of air core and paper insulated cable. Location to be determined based on OSP Troubles.

**250,000****HIGH COST APPLICANTS**

Provides assistance to customers that require excessive construction to provide primary service.

**250,000**

Enhancing network reliability by placing diverse fiber routes, fiber to existing remotes, adding permanent generators, replacing CO power equipment, and replacing selected obsolete remote equipment. Placement of next generation technology (Digital Loop Carrier, Ethernet, Fiber to the Premise) which improves service and promotes availability of advanced services not available over existing copper facilities.

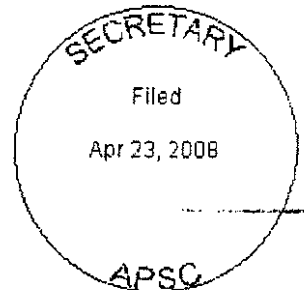
**4,168,886****TOTAL USF - ALABAMA****4,668,886**

DOCKET 25980  
APPENDIX "E"



A Telecommunications Company

April 21, 2008



**VIA HAND DELIVERY**

The Honorable Walter Thomas  
Alabama Public Service Commission  
RSA Union Building  
100 North Union Street  
Montgomery, AL 36104

**RE: APSC Certification of Eligibility to Receive High Cost Support  
Pursuant to 47 C.F.R. § 54.314; APSC Docket 25980.**

Dear Mr. Thomas:

In conjunction with the Commission's annual certification requirements, please find attached for electronic filing Ardmore Telephone Company, Inc's. ("Company") certification that it is eligible to continue to receive federal high cost support for high-cost universal service support. The original and one copy will be delivered to the Commission. If any additional information is required, please contact Terry Wales at (256) 423-2131.

Very truly yours,

A handwritten signature in dark ink that reads "Terry M. Wales". The signature is fluid and cursive.

Terry M. Wales  
General Manager

Enclosure

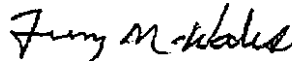
**CERTIFICATION**

In its December 20, 2001 and September 27, 2007 Orders in APSC Docket 25980, this Commission determined that it could best meet its monitoring and certification obligations by requiring the "rural LEC Cost Companies" to file with the Commission a copy of their supporting annual interstate cost separation study, annual USF-HCLS filing and estimated USF-LSS filing for review and each of the "rural LEC Average Schedule Companies" to file with the Commission a copy of NECA's proposed annual USF-HCLS and USF-LSS amounts for review. Pursuant to the Order, the Company has previously provided the Commission with a copy of its most recent annual interstate cost separation study, annual 2008 USF-HCLS, and estimated 2008 USF-LSS filings.

The Company further certifies that it will only use the federal high-cost support it receives during 2008-2009 for the continued provision, maintenance and upgrading of facilities and service for which such support is intended, as described in 47 C.F.R. Section 54.101. Those services, which are available to any customer in the Company's service area are: single-party voice grade access to the public switched network, unlimited local usage, dual-tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service, and access to directory assistance, and toll limitation for qualifying low-income customers.

The Company respectfully requests that the Commission notify the FCC prior to October 1 of this year that the Company is eligible to receive federal high-cost support in 2009. Any questions regarding this submission or the underlying documentation previously submitted to the Commission should be directed to Terry M. Wales at (256) 423-2131.

Respectfully Submitted,



By: Terry Wales

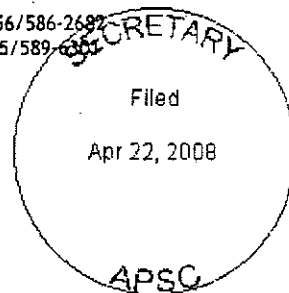
Title: General Manager

Date: 4-21-08



**Subsidiaries:**

Blountsville Telephone Company, P. O. Box 1049, Blountsville, AL 35031 Phone: 205/429-4141  
Brindlee Mountain Telephone Company, P. O. Box 130, 113 S. Main Street, Arab, AL 35016 Phone: 256/586-2682  
Hopper Telecommunications, 4045 Gadsden-Blountsville Road, Walnut Grove, AL 35990 Phone: 205/589-6361  
Mid-Maine Communications, 900-D Hammond Street, Bangor, ME 04401 Phone: 207/992-9911  
Mid-Missouri Telephone Company, 215 Roe Street, Pilot Grove, MO 65276 Phone: 660/834-3311  
OTELCO Telephone LLC, 505 3rd Avenue E., Oneonta, AL 35121-1557 Phone: 205/625-3591



April 21, 2008

**VIA HAND DELIVERY**

The Honorable Walter Thomas  
Alabama Public Service Commission  
RSA Union Building  
100 North Union Street  
Montgomery, AL 36104

**RE: APSC Certification of Eligibility to Receive High Cost Support  
Pursuant to 47 C.F.R. §54.314; APSC Docket 25980.**

Dear Mr. Thomas:

In conjunction with the Commission's annual certification requirements, please find attached hereto for electronic filing Blountsville Telephone Company, Inc.'s ("Company") certification that it is eligible to continue to receive federal high cost support for high-cost universal service support. The original and one copy will be delivered to the Commission. If any additional information is required, please contact me at (256) 586-1420.

Very truly yours,

Dennis Andrews  
SVP and GM Alabama

Enclosure

## CERTIFICATION

In its December 20, 2001 and September 27, 2007 Orders in APSC Docket 25980, this Commission determined that it could best meet its monitoring and certification obligations by requiring the "rural LEC Cost Companies" to file with the Commission a copy of their supporting annual interstate cost separation study, annual USF-HCLS filing and estimated USF-LSS filing for review and each of the "rural LEC Average Schedule Companies" to file with the Commission a copy of NECA's proposed annual USF-HCLS and USF-LSS amounts for review. Pursuant to the Order, the Company has previously provided the Commission with a copy of its most recent annual interstate cost separation study, annual 2008 USF-HCLS, and estimated 2008 USF-LSS filings.

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The Company respectfully requests that the Commission notify the FCC prior to October 1 of this year that the Company is eligible to receive federal high-cost support in 2009. Any questions regarding this submission or the underlying documentation previously submitted to the Commission should be directed to Dennis Andrews at (256) 586-1420.

Respectfully Submitted,

Blountsville Telephone Company, Inc.



By: Dennis Andrews

Title: SVP and GM Alabama

Date: 4/21/08



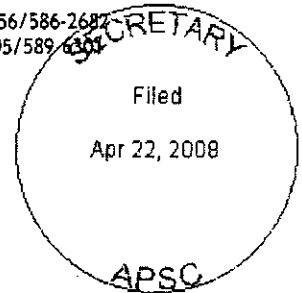


**Subsidiaries:**

Blountsville Telephone Company, P. O. Box 1049, Blountsville, AL 35031 Phone: 205/429-4141  
Brindlee Mountain Telephone Company, P. O. Box 130, 113 S. Main Street, Arab, AL 35016 Phone: 256/586-2682  
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**VIA HAND DELIVERY**

The Honorable Walter Thomas  
Alabama Public Service Commission  
RSA Union Building  
100 North Union Street  
Montgomery, AL 36104



**RE: APSC Certification of Eligibility to Receive High Cost Support  
Pursuant to 47 C.F.R. §54.314; APSC Docket 25980.**

Dear Mr. Thomas:

In conjunction with the Commission's annual certification requirements, please find attached hereto for electronic filing Brindlee Mountain Telephone Company's ("Company") certification that it is eligible to continue to receive federal high cost support for high-cost universal service support. The original and one copy will be delivered to the Commission. If any additional information is required, please contact me at (256) 586-1420.

Very truly yours,

Dennis Andrews  
SVP and GM Alabama

Enclosure